



Regularity audit of bus stations income

Date of meeting 29 November 2024

Date of report 4 November 2024

Report by Chief Executive

1. Object of report

To advise the committee on the findings of a regularity audit of bus stations income. This engagement was included in the annual Internal Audit plan 2024/2025.

2. Background to report

SPT operates and manages Buchanan (Glasgow), Hamilton, Greenock, and East Kilbride bus stations, along with bus interchanges at Govan and Partick adjacent to Subway stations. These facilities assist 16 million passengers a year.

Bus station income includes departure charges, parking income, tours parking income, and investment properties rental income. **Note:** advertising and facilities income streams are reported under separate cover(s).

The objective of this engagement was to review the accuracy and currency of bus stations income for the 2024/2025 financial year.

This engagement tested elements of the internal controls and mitigation against SPT11: Current economic conditions (cost base and inflation) impact on SPT's operational income as identified in the Corporate Risk register.

3. Outline of proposals

Engagement testing found that documented procedures have been provided to staff administering departure charges.

Engagement testing found the currency and accuracy of departure charges, parking including tours income, and rental income from bus station investment properties to be satisfactory.

The charging methodology for bus departures was last reviewed during 2018/2019. There may be merit in reviewing the methodology in light of the Buchanan bus station masterplan and upgrade works to bus stations completed to date.

There is an area for improvement which is addressed by a recommendation which can be found at Appendix 1. Bus stations management have agreed to implement the recommendation, which is currently being actioned.

Key controls exist and are applied consistently and effectively in most of the areas tested in this engagement.

Sound assurance in most areas can be taken from the internal controls in place for the management of bus stations income.

4. Committee action

The Committee is asked to note the contents of this report and agree that the Audit and Assurance Manager submits a follow-up report on the implementation of the recommendation to a meeting in approximately six months.

5. Consequences

Policy consequences	<i>None.</i>
Legal consequences	<i>None.</i>
Financial consequences	<i>None.</i>
Personnel consequences	<i>None.</i>
Equalities consequences	<i>None.</i>
Risk consequences	<i>As detailed in the report.</i>
Climate Change, Adaptation & Carbon consequences	<i>None.</i>

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Title **Director of Finance & Corporate Support**

Name Valerie Davidson
Title **Chief Executive**

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**Sound assurance
in most areas**

APPENDIX 1

Audit & Standards committee – 29 November 2024

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The recommendation from this engagement is listed in the following table. The priorities are defined as follows:

- High:** A fundamental control that should be addressed as soon as possible;
- Medium:** An important control that should be addressed within three months;
- Low:** An issue which is not fundamental but should be addressed within six months to improve the overall control environment.

No.	Recommendation	Priority	Action Proposed	Lead Officer	Due date
1	<u>Charging methodology for bus station departures</u> In accordance with the Buchanan Bus station masterplan and bus stations upgrade works which have been completed to date, management should consider reviewing the currency of bus departure charging methodology as part of the 2025/2026 budget setting process.	Low	The charging methodology will be reviewed as part of the 2025/2026 budget setting process.	Head of Service Operations & Security (Bus stations)	March 2025